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ABSTRACT

This paper comments on a few of the intricate relationships between the dollar, the degree, the society, and the school. Education and economics are said to interact in three ways: on an elementary level of funding an educational system, the influence of economic factors on individuals who are consumers of education, and education viewed as an economic subsystem of the society. These three issues are then considred from a black minority point of view. The necessity for federal financial intervention at the elementary, secondary, and higher education level that is both more extensive and more sharply targeted than has been the case is suggested. The need to get more federal dollars into the hands of the people who need them is sharply stressed. Lastly, it is stated that any consideration of economic barriers to educational opportunity must concern itself with basic societal changes that include a full employment policy, a replacement of the welfare system with an economic security plan, the improvement of schools that serve minorities, and special programs of compensatory education. (Author/AM)

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The economic aspects of education today are of such complexity and depth that the distinguished members of your workshop could spend a full week on them and never fully exhaust the topic. So this morning I shall briefly indicate only a few of the intricate relationships between the dollar and the degree, the society and the school.

First, I should commend you for your wisdom in choosing this as a major topic for your annual meeting, since there is an assumption gaining in popularity that college education does not affect individual economic achievement, that students don't really learn much from schools, that schooling has been overemphasized, that

for reasons of genetics or social conditions or home environment, large numbers of children simply cannot learn anyway, and, finally, that since nothing works, we ought to reverse the flow of dollars and concerns from the schools and into more productive enterprises.

These assumptions have been popularized by a number of academics who have themselves managed to acquire several degrees and now occupy status-laden positions at major universities, and they have been accepted by large numbers of people for reasons ranging from blatant racism, to blind obedience to currently fashionable theories of the "experts," to rank indifference.

While I will touch on some of these assumptions this morning, I will not deal with all of them, for my task today is to discuss the "economic background" and not to deal with the pathology of educational theory.

Education and economics intersect in three basic ways. First, there is the elementary level of funding an educational system -- the nuts and bolts of siting schools, appropriating tax funds, building buildings, and paying staff.

A second point of intersection is the influence of economic factors on individuals who are the consumers of the educational process, that is, how an individual's economic circumstances affect his learning experience.

And finally, there is the educational system as a whole, which can be seen as an economic subsystem of the society, providing jobs, career opportunities and capital projects of economic importance, while at the same time serving as society's filter, processing individuals for their role in the larger economy.

Obviously, these can be added to, folded into each other, expanded upon, and subdivided indefinitely. But let me just stay with the three basics and touch on a few of the issues within each of these considerations, especially from a black minority point of view.

A central problem our society faces is how shall we finance the educational system? We now use horse and buggy

financing systems to fund space-age education. Perhaps that is why so many people eagerly seize on the cop-out proposal that schools don't make much of a difference anyway and therefore let's cut their costs. Many such individuals themselves spend many thousands of dollars each year to procure for their children the finest, most expensive private school education available.

As a lawyer, I cannot understand the Supreme Court's reasoning that while busing is a legitimate means of insuring equal protection of the laws, equitable school financing is not. But the Court, in the Rodriguez decision, has put the issue back into the laps of the states, and state courts have increasingly determined that

inequities in the resources of school districts are in violation of state constitutional requirements.

Beyond the need for equalizing school district finances should be the recognition that many urban school districts with disproportionate numbers of poverty-stricken youngsters will have to have unequal resources in order to meet the special challenges they face.

Clearly, this implies federal financial intervention that is both more extensive and more sharply targeted than has been the case to date. Before moving on to this crucial issue, I would like to say a word about financing higher educational institutions, most of which lie outside the public sector.

If blacks and other minorities are to have access to college and university experience, then our society must drastically alter the dependence upon individual financing of an item -- college education -- that is beyond the means of the typical American family today. And the society it must reassess its dependence upon individually-awarded scholarship grants to enable students to meet the constantly rising tuition costs.

For a while, college and universities made creative use of their scholarship resources to help recruit black students. But as economic conditions worsened and as the national commitment to equal opportunity first waned and then disappeared, many colleges have seized the

opportunity to cut back on scholarships. Many have reverted to the so-called "merit system," tying scholarship awards to classroom performance instead of to need. As a result, there has been a sharp decline in minority college attendance.

Unless special efforts are made to finance higher education for students who come from families of modest income, higher education may once more become a white preserve, barred to all but a handful of blacks.

About a fourth of black college students come from families that are below the official poverty line, and a large majority come from families whose incomes are below $10,000. The typical black college student comes from a family whose

parents never attended college, whose father was likely not to have graduated from high school, and for whom paying school and school-related bills is a major preoccupation. Against this background, what are we to make of a recent news story indicating that over $100 million of federal scholarship money for poor students was not spent. Over a hundred thousand college students who could have received grants this year did not. So a major issue is not only the need to get more federal dollars into the pipeline, but also the need to get them into the hands of the people who need them.

I expect that such issues will be fully discussed in the Workshop, and that some innovative suggestions may be offered

as well. Our methods of school financing are highly irrational and often work as disincentives to individuals who ought to be encouraged to sharpen their skills and raise their aspirations. The tax system, for example, allows deductions for educational expenses that are directly job-related. So we have a situation in which a stockbroker can deduct tuition and travel expenses for taking a course in commodity speculation, but a working student may not deduct college costs.

In effect, poor and moderate income individuals and families are penalized by the tax system for their own efforts to improve their position in life and to increase their future taxable incomes. And this is but one of many illustrations of an

irrational system gone berserk, a financing system that operates at cross purposes to the goals it purports to endorse.

Beyond the huge question of how we finance the educational system is the impact of economic considerations upon the learning experience itself. No matter how impoverished the schools may be, there always seems to be enough money to fund countless studies whose conclusions are the same: that there is a high correlation between family income and academic success. Time and again we have been told that middle class kids do well in school and poor kids tend to do badly. It is time to call a moratorium on such studies. It is time to do something to equalize school results. And above all, it is time to

stop blaming the victims of our economy by stigmatizing poor people as being incapable of absorbing education, when it is the educational system that has demonstrated its inability to absorb and to educate poor youngsters.

For black people this is a crucial, perhaps the most crucial issue. For blacks are disproportionately poor, are disproportionately dependent upon public education, and are found in disproportionate numbers among the ranks of those who do not acquire the skills the educational system is supposed to transmit.

Let me briefly sketch in some facts about the black economic dilemma in this Depression year, since many of the facts have been buried by questionalbe official

statistics and by general public indifference.

: The typical black family income is about half of what the government says is sufficient for a no-frill, moderate lower middle class living standard.

: One out of every four blacks in the labor force is out of work today.

: The majority of them have been out of work for over three months and are ineligible for unemployment compensation.

: Half of all black teenagers are unemployed. And this group includes not only school dropouts, but also those young people whose

continued attendance at school or college is directly dependent upon holding a part time or full time job.

I hope that it would not be necessary with this informed audience -- to launch into a detailed description of how children from poverty-stricken homes and ghetto environments have very formidable obstacles placed in their educational paths. And to these obstacles are added the racial segregation still common to our public schools and the class segregation that is as common but less publicized.

Economic deprivation not only affects learning, but it also has become a formidable barrier to school attendance itself. A recent Children's Defense Fund

study has documented the link between the large numbers of out-of-school children and poverty. This nation has hundreds of thousands of children who do not attend school because they literally cannot afford the bus fare to the central high school, shoes and clothes to wear to school, or the modest school charges for books or lunches.

III Any discussion of economic barriers to education must also concern itself with basic societal changes that include a full employment policy and replacement of the welfare system with an economic security program that is universal in its application through the credit income tax device.

And consideration of economic barriers to educational opportunity must be centered upon the need to improve schools that serve

minority and low-income consumers, and for special programs of compensatory education.

The view that more money doesn't matter, and that compensatory education has failed is a conscious attempt to deprive minority students of their right to educational opportunities and to condemn them to second-class citizenship and low social and economic status. It is designed to continue the exclusion of black people from the mainstream of American life and to freeze black citizens out of the high-skill, high-technology economy into which we are rapidly moving.

Compensatory education is being singled out as the next victim of the hatchet that is already dripping with the

blood of the Head Start program. Head Start was also labelled a failure despite its many successes. Fortunately it has prevailed, although the professional "hit-job" performed upon it severely restricted its potential.

To the degree that compensatory education is seen not to work, it is because it was never really tried. Few such programs ever reached the critical mass of funds necessary to provide a true demonstration of its possibilities. Few were entered into with anything other than the official desire to provide a cosmetic veneer to a faltering educational system. Few were able to escape this kind of programmed failure. The intent of legislati such as Title One was never put into effect,

and money supposedly targeted to schools with large numbers of poor children was dissipated among whole school districts, lost in non-learning expenditures, and plaqued by a system-wide non-accountability.

All of this is another way of saying that the limitations of compensatory education are directly related to the fact that its funds are channeled to the same administrators and teachers who comprise the educational system that already proved its failure to adapt to students who are poor and black. It is clear to me that alternatives and innovations must be employed if compensatory education is to become a viable route for the education of poor children.

The role of the schools in transmitting basic skills -- the three 'r's' -- is

rivalled only by the role of the schools as an accrediting institution, distributing those pieces of paper that determine an individual's future social and economic role in the society.

This is itself, a broad subject, but one very neglected aspect of that has been the failure to develop technical and vocational training instutitions that could be used to propel minority youngsters into skilled fields that do not require four year college degrees. Vocational education has earned its dismal reputation among black people because it has historically been a tracking vehicle to shunt black youngsters into economically unattractive areas. But vocational education in the future can be a viable option for post-secondary education.

It has been estimated that a decade from now most jobs will require more than a high school degree, yet less than a college degree. So it is getting very late in the day for us to begin a dialogue on reshaping educational opportunities tied to future labor market demands and to black aspirations. So long as junior colleges are means of absorbing minorities not wanted by four year colleges so long as they offer clerical courses in ghettos and computer courses in the suburbs they will be viewed with suspicion and animosity by black people. But this would be a tragedy when one considers the very real impact they could have upon upgrading skills and achievement and providing the accreditation demanded by more and more job categories.

I have left much unsaid this morning, but I do want to leave you with two very basic points about our subject today.

First, the schools have failed huge numbers of children, both black and white. The schools have displayed an inability to adopt flexible responses to the "opportunity to become creative vehicles of progress for masses of poor people and minorities.

Second, the schools are, in and of themselves, an important economic factor in our society. This is so not only because of the enormous amounts of money spent by schools at all levels, or of the employment opportunities they represent, but also because of the hidden economic factors -- the relationship between school quality and property values, the school's

role in training manpower, in transmitting values, and their role in the economic infrastructure of the nation.

Educators spend a lot of energy denying their direct impact upon society and its problems. I would hope that this Conference will affirm the crucial role of the schools in our society, in our economy, and in the hopes and aspirations of the poor and minority persons whom they have failed so dismally.

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